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# **MULTILATERALISM AND REGIONALISM: THE NEW INTERFACE**

## **Foreword and Acknowledgments**



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## NOTES

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## FOREWORD

There is a resurgence of regionalism in today's international trading system. Regional trade agreements have multiplied worldwide; almost all countries are members of at least one agreement and many are party to multiple agreements. Existing agreements are re-invigorated and expanded while new ones are being negotiated and formed. Integration measures have extended their reach beyond traditional free trade in goods to a number of domestic regulatory sphere including services, investment and intellectual property rights, to deepen the integration among partner countries. Regionalism has gained a renewed dynamism and is no doubt here to stay as an element of the broader trading system.

Developing countries are active participants in the regionalism movement. They see regional integration as an essential avenue towards economic growth, development and poverty alleviation. The central policy issues for individual developing countries is how to ensure a positive contribution of regional integration to their economic development.

Such "regionalism renaissance" coincides with the evolution of the multilateral trading system through multilateral trade negotiations, including under the Doha work programme. In this complex, evolving and multi-layered trading system, benefits from trade increasingly hinge upon how one can effectively manage regional integration processes; conversely, any positive impact these regional integration processes may have are themselves contingent upon how multilateral trade negotiations are conducted and concluded. This requires that both processes be adequately factored in when approaching individual trade negotiations. Parallel negotiations at multilateral and regional levels make it a Herculean task for policymakers and trade negotiators to identify their national development interests and negotiating objectives.

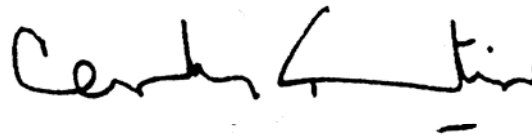
How can developing countries maximize gains for their development from the totality of multilateral, inter-regional and regional trade agreements and negotiations? How can the interface between multilateralism and regionalism be turned into an effective instrument for development? What are the developmental impacts of regional trade agreements between developed and developing countries ("North-South agreements") as well as those formed among developing countries ("South-South agreements"), and how can one maximize their beneficial impacts? These are some of the questions asked in this volume. The key policy challenge for developing countries is to ensure coherence, and to forge a positive interface, between multilateralism and regionalism for the sake of development and poverty reduction.

All these questions are complex and require in-depth research as well as collective reflection and policy dialogue. It is these considerations that informed the agenda of the eleventh session of UNCTAD, held on 13-18 June 2004 in São Paulo, Brazil. The overall Conference theme "Enhancing the coherence between national development strategies and global economic processes towards economic growth and development, particularly of developing countries", as well as its sub-theme on trade "Assuring development gains from the international trading system and trade negotiations", sought to draw policy attention to, and forge better understanding and consensus on, the issues at stake with regard to the coherence between national development policies on the one hand, and sub-regional, regional, inter-regional and multilateral trade negotiations on the other.

UNCTAD Member States responded to the challenge and agreed, through the São Paulo Consensus to "examine and monitor the interface between the multilateral trading system and

regional trade agreements”, and to “support regional integration and the promotion of South-South trade”. This publication is a first contribution to the development-oriented examination and assessment of the interface between the multilateral trading system and regional trade agreements.

As the focal point of the United Nations for the integrated treatment of trade and development and interrelated issues, and in accordance with the mandate given to it at UNCTAD XI, UNCTAD will continue to support beneficial and equitable integration of developing countries into the international trading system and the world economy. We hope that this publication will make a contribution to fostering a better understanding of the new and evolving interface between multilateralism and regionalism and prompt a collective reflection on ways to assure development gains from these two essential components of the world trading system.

A handwritten signature in black ink, appearing to read 'Carlos Fortin', with a horizontal line underneath the name.

Carlos Fortin  
Office-in-Charge of UNCTAD

## ACKNOWLEDGEMENTS

The volume contains papers delivered at a pre-UNCTAD XI Forum on “Multilateralism and Regionalism: The New Interface” held on 8 June 2004 at the BNDES, Rio de Janeiro, Brazil, organized during the Rio Trade Week, under the supervision of Lakshmi Puri, Director, Division on International Trade in Goods and Services, and Commodities, by a team led by Mina Mashayekhi, Head, Trade Negotiations and Commercial Diplomacy Branch. The team was composed of Bonapas Onguglo, Luis Abugattas and Taisuke Ito. The volume also draws on the ongoing substantive work of UNCTAD.

The volume was edited and prepared by Mina Mashayekhi and Taisuke Ito.

The major contributors are the authors of the individual chapters. Substantive contribution of the participants in the above Forum was no less significant, particularly from Carlos Fortin (Deputy Secretary-General, UNCTAD), Francisco Thompson-Flôres (Deputy Director-General, World Trade Organization) and Mario Mugnaini Jr. (Executive Secretary, the Chamber of External Trade, Brazil). A full list of participants is attached in Annex 3 to this volume.

Text editing and formatting was done by Mark Bloch and the cover page was prepared by Diego Oyarzun.

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## ABBREVIATIONS

ACP	African, Caribbean, and Pacific Group of States (ACP Group)
AFTA	ASEAN Free Trade Area
ANCOM	Andean Community
ASEAN	Association of South-East Asian Nations
ATPDEA	Andean Trade Promotion and Drug Eradication Act
AU	African Union
CACM	Central American Common Market
CAN	Andean Community
CAFTA	United States-Central American Free Trade Area
CARICOM	Caribbean Community and Common Market
CEMAC	Communauté Economique et Monétaire de l'Afrique Centrale (Central African Economic and Monetary Community)
CET	common external tariff
COMESA	Common Market for Eastern and Southern Africa
CRTA	Committee on Regional Trade Agreements (WTO)
CTC	change in tariff classification
CU	Customs Union
DWP	Doha Work Programme (WTO)
EAC	East African Community
ECCAS	Economic Community of Central African States
ECO	Economic Cooperation Organization
ECOWAS	Economic Community of West African States
EU	European Union
FTA	Free Trade Area
FTAA	Free Trade Area of the Americas
GATS	General Agreement on Trade in Services (WTO)
GATT	General Agreement on Tariffs and Trade (WTO)
GCC	Gulf Cooperation Council of Arab States
GSP	Generalized System of Preferences
GSTP	Global System of Trade Preferences among Developing Countries
IOC	Indian Ocean Commission
IPR	intellectual property rights
LAFTA	Latin American Free Trade Area
MERCOSUR	Common Market of the South
MFN	most favoured nation
MTS	multilateral trading system
NAFTA	North American Free Trade Area
NAMA	non-agricultural market access
PICTA	Pacific Island Countries Trade Agreement
PACER	Pacific Agreement on Closer Economic Relations
PTA	preferential trade agreements
RIA	regional integration agreements
RoO	rules of origin
RTAs	regional trade agreements
RVC	regional value content
SAARC	South Asian Association for Regional Cooperation
SACU	South African Customs Union

SADC	Southern African Development Community
SAFTA	South Asia Free Trade Area
SDT	special and differential treatment
SPS	sanitary and phytosanitary measures
TBT	technical barriers to trade
TRIPS	trade-related aspects of intellectual property rights (WTO)
UEMOA	Union Économique et Monétaire Ouest Africaine (West African Economic and Monetary Union)
UMA	Union du Maghreb Arabe (Arab Maghreb Union)
UNCTAD	United Nations Conference on Trade and Development
WTO	World Trade Organization